



UNITED STATES DISTRICT COURT
FOR THE CENTRAL DISTRICT OF CALIFORNIA

CR 13 00749

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|---------------------------|---|-------------------------------|
| UNITED STATES OF AMERICA, |) | CR No. 13- |
| |) | |
| Plaintiff, |) | <u>I N F O R M A T I O N</u> |
| |) | |
| v. |) | [18 U.S.C. § 371: Conspiracy] |
| |) | |
| RANDY LEE MITCHELL, |) | |
| |) | |
| Defendant. |) | |
| |) | |
| |) | |

The United States Attorney charges:

At all times relevant to this Information:

A. INTRODUCTORY ALLEGATIONS

1. The Boeing Company ("Boeing") was a Delaware corporation with its headquarters and principal place of business in Seattle, Washington. Boeing's business included the research, development, manufacture, and sale of space satellites. Boeing was a "prime contractor" that had direct contracts with United States Government agencies, including the Department of Defense ("DOD"), United States Air Force ("USAF"), National Aeronautical Space Administration ("NASA"), and United States National Reconnaissance Office ("NRO"), to supply

1 satellites, satellite parts, and other products. Boeing Space
2 and Intelligence System ("BSIS") was a unit of Boeing which
3 focused on space systems and was headquartered in Seal Beach,
4 California, within the Central District of California.

5 2. Mark Allen ("Allen") was a Procurement Agent employed
6 by BSIS in El Segundo, California. Allen's job was to procure
7 from subcontractors parts used for BSIS' United States
8 Government and commercial programs. BSIS procured parts through
9 a competitive bidding process in which Allen sent requests for
10 bids to various subcontractors, subcontractors submitted bids on
11 projects, and Allen was to award purchase orders to the
12 subcontractors with the best bids.

13 3. Raymond Joseph ("Joseph") was an independent outside
14 sales representative for numerous subcontractors who did
15 business with BSIS and other United States Government prime
16 contractors.

17 4. Subcontractor #1 was a California corporation with
18 facilities in Whittier, California, and Montebello, California,
19 both within the Central District of California. Subcontractor
20 #1 worked as a subcontractor for BSIS on projects funded by
21 various United States Government agencies and commercial
22 companies. In or about August 2009, BSIS excluded Subcontractor
23 #1 from doing further work for BSIS due to poor work quality and
24 performance issues.

25 5. A.H. was an owner and manager of Subcontractor #1.
26 A.H. was responsible for the day-to-day operations of
27 Subcontractor #1. A.H. retained Joseph to obtain BSIS purchase
28 orders for Subcontractor #1.

1 6. Defendant RANDY LEE MITCHELL ("defendant MITCHELL")
2 was an employee of Subcontractor #1. Defendant MITCHELL
3 assisted in manufacturing parts for Subcontractor #1 and was
4 responsible for Subcontractor #1's quality control.

5 7. Nace Sheet Metal Company ("Nace") was a sole
6 proprietorship located in Anaheim, California, within the
7 Central District of California. Nace's primary business was the
8 manufacturing of office furniture. Nace served as a front for
9 Subcontractor #1 after BSIS excluded Subcontractor #1 from doing
10 business with BSIS.

11 8. Cesar Soto ("Soto") was the owner of Nace and was
12 responsible for the day-to-day operations of Nace. Soto was
13 related through marriage to A.H.

14 B. OBJECT OF THE CONSPIRACY

15 9. Beginning in or about November 2010 and continuing
16 through in or about February 2012, in Los Angeles County, within
17 the Central District of California, and elsewhere, defendant
18 MITCHELL, together with coconspirators A.H., Joseph, Soto, and
19 others known and unknown to the United States Attorney,
20 knowingly combined, conspired, and agreed to commit the
21 following offense against the United States: mail fraud, in
22 violation of Title 18, United States Code, Section 1341.

23 C. THE MANNER AND MEANS OF THE CONSPIRACY

24 10. The object of the conspiracy was carried out, and to
25 be carried out, in substance, as follows:

26 a. In or about November 2010, after BSIS had
27 excluded Subcontractor #1 from doing further work for BSIS, A.H.
28 recruited defendant MITCHELL, Soto, and Nace to take steps to

1 make it appear as if Soto and Nace contracted with BSIS, thereby
2 concealing from BSIS that A.H. and Subcontractor #1 continued to
3 manufacture products under BSIS purchase orders and allowing
4 Subcontractor #1 to continue to bid, manufacture, deliver, and
5 receive payments from BSIS.

6 b. At the direction of A.H., Soto agreed that A.H.
7 and Subcontractor #1 would use Soto's name and Nace to submit
8 bids to BSIS.

9 c. So that they could begin doing business with
10 Boeing, at the direction of A.H., defendant MITCHELL and Soto
11 falsely represented to Boeing employees that Nace was going to
12 do the Boeing work, when, in fact, it was Subcontractor #1.

13 11. As a direct and intended part of the conspiracy
14 described above, A.H. and Subcontractor #1 received
15 approximately \$275,132 in BSIS purchase orders, of which A.H.
16 paid approximately \$33,796 as a commission to Joseph.

17 D. OVERT ACTS

18 12. In furtherance of the conspiracy, and to accomplish
19 its object, defendant MITCHELL, together with coconspirators
20 Soto, A.H. and Joseph, and others known and unknown to the
21 United States Attorney, committed and willfully caused others to
22 commit the following overt acts, among others, in the Central
23 District of California and elsewhere:

24 Overt Act No. 1: In or about July or August 2011,
25 defendant MITCHELL and Soto, at the direction of A.H., attended
26 a meeting with Boeing employees at Subcontractor #1's
27 manufacturing facility and falsely represented that
28 Subcontractor #1's manufacturing facility was Nace's

1 manufacturing facility and that Nace would complete the Boeing
2 work when, in fact, Subcontractor #1 was going to complete the
3 Boeing work.

4 Overt Act No. 2: On or about August 17, 2011,
5 defendant MITCHELL, via email, instructed Joseph to remove
6 Joseph's name from a document to conceal from Boeing Nace's
7 association with Joseph, A.H., and Subcontractor #1.

8 Overt Act No. 3: On or about October 19, 2011, BSIS
9 paid Nace approximately \$34,950 via check by U.S. Mail from
10 Seattle, Washington, for the purchase order related to a Boeing
11 Capital Equipment Contract.

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